

May 12, 1983

Dear Manufacturer:

CD-83-7

Subject: Voluntary Use of Lower Label Values

The enclosed copies of correspondence exchanged between Chrysler and EPA are for your information. Specifically, we approved Chrysler's request to voluntarily place a lower fuel economy label value on the Shelby Charger than the general model type value that would normally be required. Although our regulations provide no mechanism to permit voluntary lower labeling, we approved Chrysler's request as being reasonable. It did not seem appropriate to force Chrysler to use an inappropriately high fuel economy value simply because the regulations normally would require it. It was reasonable to approve their request without establishing a set of cumbersome rules for policing the accuracy of the numbers used as long as they were lower. We expect the lower fuel economy value will be directionally more accurate than the existing model type fuel economy value calculated according to the regulations. Obviously, we cannot extend this flexibility in the opposite direction and allow voluntary higher labeling without establishing rules to regulate how high a number may go.

We do not intend to communicate by this letter that it is our policy to either require or encourage a manufacturer to place a lower fuel economy value on labels for specific vehicle configurations that have fuel economy values significantly below the general model type value. We are transmitting this information solely to inform you of the decision made in response to Chrysler's request and to point out that we believe it would have been unreasonable to deny their request. We do not expect a great influx of similar requests but, short of any changes to our labeling regulations and policy guidance, we would be inclined to handle similar requests as we did this one.

We are transmitting this correspondence to the Federal Trade Commission (FTC) to both inform them of this action and request their comments on the appropriateness of our decision. If we conclude, based upon FTC's comments, we should either handle future cases differently or that we should develop a more formal policy, this decision will be made available to you.

Sincerely yours,

Robert E. Maxwell, Director
Certification Division
Office of Mobile Sources

Enclosures

CHRYSLER
CORPORATION

January 19, 1983

Mr. Brian Burgess
Certification Division
Mobile Source Air Pollution Control
Environmental Protection Agency
2565 Plymouth Road
Ann Arbor, Michigan 48105

Dear Mr. Burgess:

Chrysler Corporation is introducing a high performance derivative of the Dodge Charger which we will market under the sales name Dodge Shelby Charger. This model was added to the Charger carline via 1983 running changes #59 and #60 and it will enter production February 14, 1983. Although the Shelby Charger is a derivative of the original Charger, it has many unique performance oriented features.

We are concerned that, under current regulations, the Shelby Charger must be labeled with the Charger model type fuel economy. These values were calculated at the start of the model year and did not take into account the effect of the Shelby Charger performance features. These label values could overstate the actual fuel economy of the Shelby Charger by a substantial amount. This could result in a fuel economy shortfall and resulting customer dissatisfaction.

In order to furnish our customers with a more appropriate estimate of the fuel economy of the Shelby Charger, we wish to follow the proposed policy outlined in your letter to the industry dated August 10, 1981. This policy allows a manufacturer to use a reduced label value when the manufacturer deems it appropriate. We realize that this is only a proposed policy. However, as a responsible corporate citizen, we feel that it is in both the customers' and Chrysler's best interest that we voluntarily reduce the label values for the Shelby Charger.

Chrysler will use the following fuel economy values for both the Federal and California version of the Shelby Charger:

25 Mpg City
40 Mpg Highway
30 Mpg Combined

If we did not take this action, the Shelby Charger's fuel economy would, by law, be reported as 28/46/34 for Federal applications and 26/41/31 for California applications.

If you have any questions, please contact me.

Sincerely yours,

CHRYSLER CORPORATION

J. M. German, Performance & Fuel Economy

JMG/MMK tlu

P.O. BOX 1118, DETROIT, MICHIGAN 48288

February 11, 1983

Mr. J. M. German, Director

Labeling, Regulatory, and Strategy
Chrysler Corporation
P.O. Box 1118
Detroit, MI 48288

Dear Mr. German:

This letter responds to your letter to Mr. Burgess of January 19, 1983 concerning labeling the Shelby Charger with a lower value than calculated under current regulations. Based on your concern that the Charger model type fuel economy would overstate the Shelby Charger fuel economy by a substantial amount, we concur with your request to label the Shelby charger with a lower value.

Our proposed policy letter of August 10, 1981, would allow the manufacturer to lower the fuel economy number on a vehicle's fuel economy label at its discretion. The manufacturer would select the appropriate value (provided that it was less than the general label value.) Since Chrysler has shown interest in this flexibility, EPA will endeavor to finalize this policy in the form of an advisory circular to the industry. Due to lack of initial industry response we have not yet finalized this

policy, however, we will extend it to Chrysler in this case based on the concerns you raised. Chrysler may set the level of the label value provided that it is lower than the EPA calculated value. EPA will not approve or disapprove this value. For the purposes of corporate average fuel economy, official test results for the Shelby Charger will apply. No new model type will be created in this case.

For our records, Chrysler must supply us with the label values you intend to use. It is Chrysler's responsibility to establish an accurate and supportable value. While we will not dispute Chrysler's determination, we strongly recommend that the official test result for this vehicle be applied since this value is supportable by data.

Sincerely yours,

Robert E. Maxwell, director
Certification Division
Office of Mobile Sources